



EU taksonomi for bæredygtig finansiering

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European Green Deal

Klimaneutral
2050

Nyt EU CO2 mål for 2030 til
55%

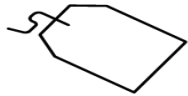
EU's nuværende delmål for VE og EE på hhv. 32%
og 32,5% skal øges

Årlige gennemsnitlige investeringer i europæiske
energisystemet, herunder transport, skal stige i perioden 2021-
2030 sammenlignet med perioden 2011-2020 med ca. 350 mia.
for at opnå 55% reduktion af drivhusgasemissioner.

Behov for mere privat kapital til at realisere ambitionerne i European Green Deal



EU taksonomien er et fælles klassifikationssystem af økonomiske aktiviteter, der bidrager bæredygtighed

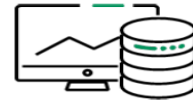


A “dictionary-style” tool

Provides clarity on what is an environmentally sustainable activity and under which circumstances.

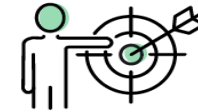
Ends fears of greenwashing

Provides the market and the public with the necessary confidence



A measuring tool

Measures the degree of sustainability of an investment and the share of environmentally sustainable activities in a company



A transition tool

Helps investors and companies to plan and report on the transition. It sets the objectives and the direction of travel for different economic activities.

The Taxonomy Regulation mandates three user obligations:



Financial market participants

Offering financial products in the EU, including occupational pension providers

Articles 5, 6, 7



Large companies

Who are already required to provide a non-financial statement under the Non-Financial Reporting Directive

Article 8



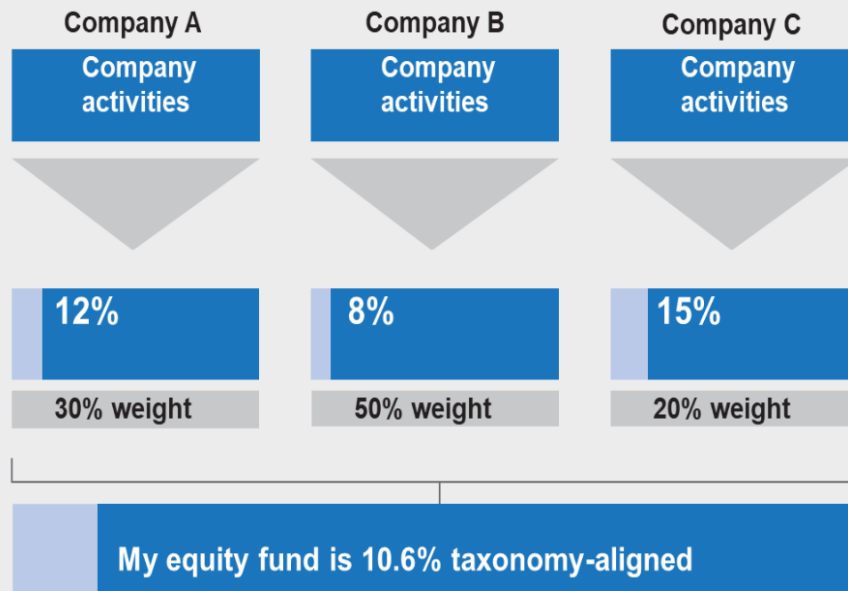
The EU and Member States

When setting public measures, standards or labels for green financial products or green (corporate) bonds

Article 4

Financial market participants' disclosures

How to apply the Taxonomy to an equity portfolio

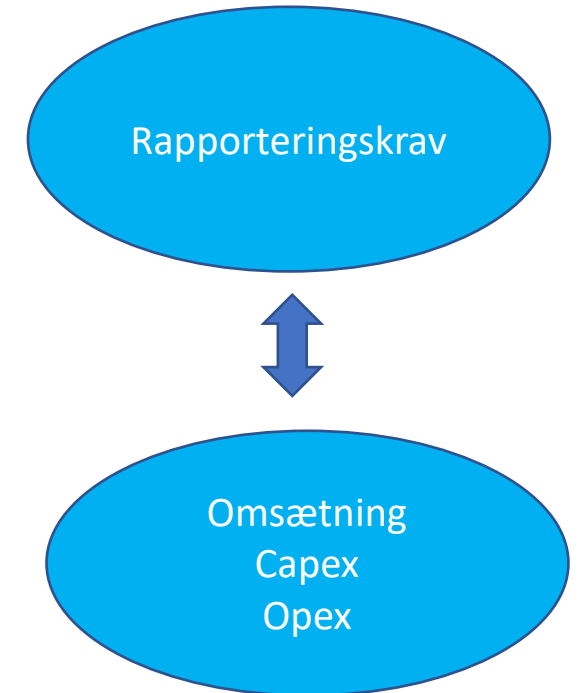


Investors' disclosures:



- How and to what extent the investments underlying the financial product are invested in environmentally sustainable economic activities.
- To what environmental objective(s) the investments contribute;
- and the proportion of underlying investments that are taxonomy eligible, expressed as a percentage. This should specify the breakdown between activities considered to be “enabling” and “transition”.

Taksonomiens betydning for virksomheder



Taksonomiens opbygning

Taksonomiens 6 miljømål

CLIMATE CHANGE

Mitigation

Adaptation

*Technical Screening Criteria
in the draft Delegated Act (dec 2020)*

ENVIRONMENTAL OBJECTIVES

Transition to a **circular economy**

Pollution prevention and control

Sustainable use and protection of
water and marine resources

Protection and restoration of
biodiversity & ecosystems

*Technical Screening Criteria
under development*

Bæredygtighedskrav der skal opfyldes



Example: Ocean energy

<u>Substantial contribution criteria</u>	
Electricity generated form ocean energy	
<u>Do no significant harm criteria</u>	
Climate change adaptation	The activity complies with the criteria set out in Appendix A to this Annex
Climate change adaptation	The activity does not hamper the achievement of good environmental status, as set out in Directive 2008/56/EC, requiring that the appropriate measures are taken to prevent or mitigate impacts in relation to that Directive’s Descriptor 11 (Noise/Energy), laid down in Annex I to that Directive, and as set out in Decision (EU) 2017/848
Transition to a circular economy	The activity assesses availability of and, where feasible, uses equipment and components of high durability and recyclability and that are easy to dismantle and refurbish.
Pollution prevention and control	Measures are in place to minimise toxicity of anti-fouling paint and biocides as laid down in Regulation (EU) No 528/2012 of the European Parliament and of the Council ¹⁶¹ , which implements in Union law the International Convention on the Control of Harmful Anti-fouling Systems on Ships adopted on 5 October 2001.
Protection and restoration of biodiversity and ecosystems	The activity complies with the criteria set out in Appendix D to this Annex.

Sustainable Finance Taxonomy

Some experiences & observations

Peter Krusaa



Taxonomy to be seen in a broader perspective

- **European Green Deal**
- **Sustainable Finance**
 - Taxonomy
 - Non-Financial Reporting Directive (NFRD) Review
 - Disclosure Regulation
 - Renewed Sustainable Finance strategy
 - Green Bond Standard
 - EU Low-carbon benchmarks
 - Corporate Sustainability Reporting Directive (CSRD)
 - ‘Global’ Taxonomy
- **EU Ecolabel**
- **Climate law**
- **EU climate adaptation strategy**
- **Just Transition Mechanism**
- **Other parallel initiatives, e.g. 2030 Biodiversity Strategy, Circular Economy Action Plan, Zero Pollution Action Plan, etc.**
- **EU Recovery Fund**
- **Energy Taxation Directive (ETD) & Carbon Border Adjustment Mechanism (CBAM)**
- **Involvement in sustainable and smart mobility partnerships**



Taxonomy – What is in it for us?

Positive

- European based definitions of what is 'green' simplifies things and limits burdensome competing standards
- Avoids disruption from 'green-washing' in the market
- Framework underpins political support and general reputation for green companies
- Transparency rules give investors more trust in market => increases shareholder value and ease financing
- Assessment basis and standards for reporting sustainability generally follow Ørsted's setup

Negative

- Resource-wise more to be done in terms of internal data collection, non-financial reporting and external verification ... maybe also a bit more than can be justified
- International competition impacted ... but in the longer run it may imply a competitive advantage as the standards are most likely trendsetting
- Will the setup create the right balance between regulatory stability and flexibility? ... e.g. for power-to-X



In conclusion...

There are holes in the cheese

... but it is still cheese

Observation 1: Difficult legislative area to deal with

- Impact is significant – directly (on your business) and indirectly (value chain)
- High level of technical details
- Many areas of expertise and departments involved
- Partly non-transparent process
- Level of lobby beyond imagination
- Very ambitious timeline



Observation 2: Reporting

Increased focus on:

- 1) ESG reporting on equal footing with financial reporting
- 2) 'Social contract' btw. Companies and society
- 3) Easy to access and use for external parties



Implying:

- A) Standardisation
- B) Third-party verification
- C) Increased scope
 - A) Companies included
 - B) Data included

Going forward... (micro level)

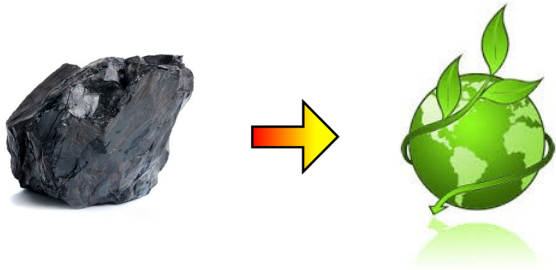
- **If not started yet, please do!** ... it takes time assessing your business activities w.r.t. Taxonomy
- **Don't trust legislative deadlines.** Expect to be approached before legally into force
- **Put ESG reporting on equal footing with financial reporting;** i.e. build ESG reporting into existing (financial) consolidation system
- **Be aware it is an inter-disciplinary exercise**
- **Identify what is one-off tasks and what is ongoing compliance**
- **Be able to handle detailed regulation with due regard to a helicopter view**
- **Consider creating a common understanding with peers or via industry associations**



Going forward... (macro level)

Next steps

- **Enhanced Taxonomy?** ... incentives for being better for not-aligned but not significantly harming activities
- **Brown taxonomy?** ... to interact with green taxonomy to speed up transition
- **Global setup to impact EU setup?**
- **Sustainability rules used to make other wishes coming true** (e.g. corporate governance rules)
- **Further harmonisation + more reporting**



Challenge

- **High attention!** as also basis for e.g. recovery package and other legislative initiatives
- **Going too fast?** ... not awaiting impact from already decided legislation
- **Might loose momentum due to lack of friends?**

Risk: 'Green purists' find it too brown and the 'brown fundamentalists' too green

Solution: Less mandatory requirements + more comply-or-explain



Orsted

Thank you for your attention!

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RAPPORTERING OM BÆREDYGTIGE INVESTERINGER PT: AFDELINGEN FOR AVANCERET GÆTVÆRK...

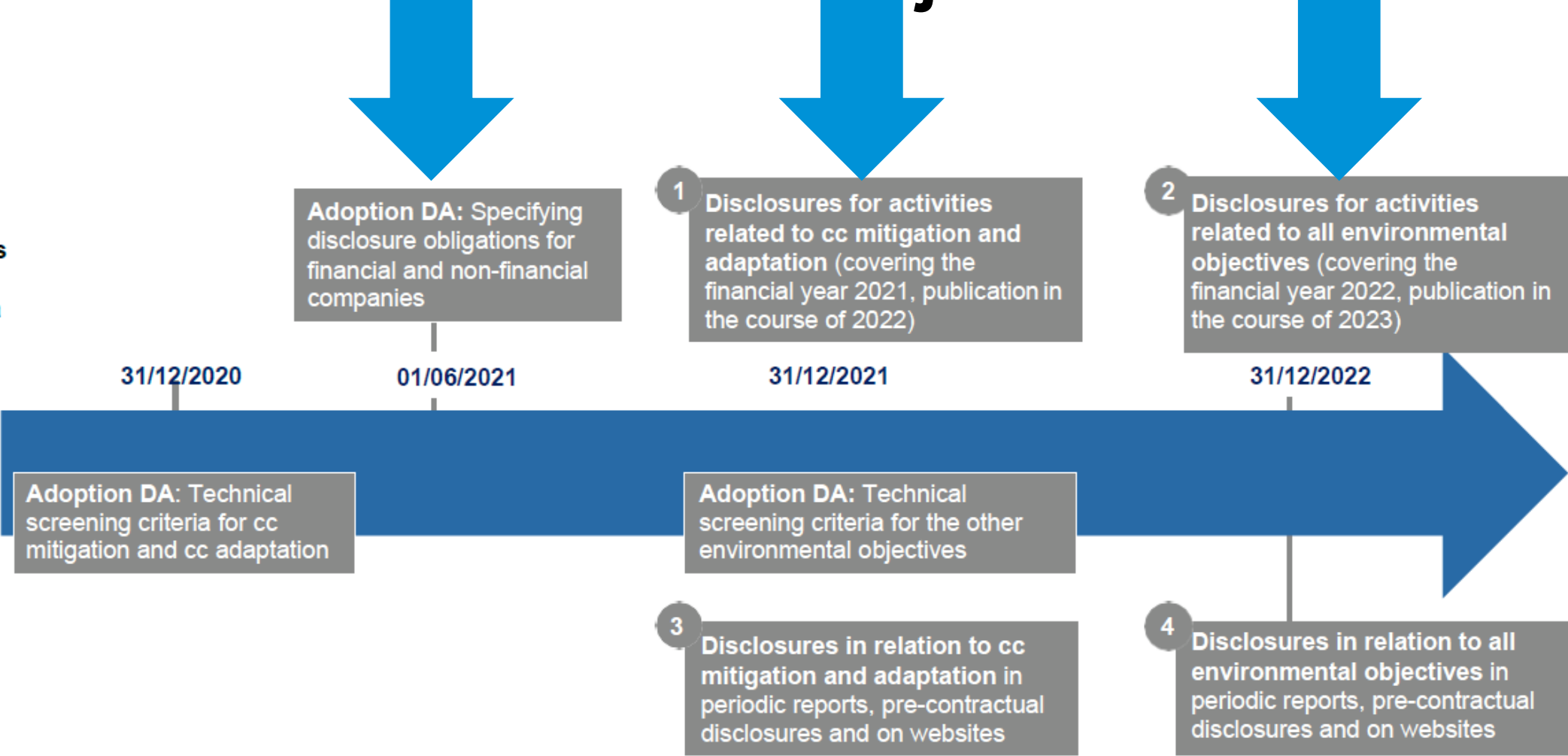
Kristian Koktvedgaard
Fagleder - Moms, Regnskab og Revision
4. maj 2021



Dansk Industri

Sustainable Finance - tidslinje


Companies
under Art.
19a or 29a
of the
NFRD




Financial
market
Participants

De legale krav til rapportering er **IKKE** på plads

- Den delegerede retsakt med regler for selve rapporteringen – den såkaldte Artikel 8 – er endnu ikke sendt i høring
 - Høringsudkast forventes udsendt tidligt i maj ...
 - Forventet høringsperiode ~~3~~ 4 uger
 - Vedtagelse af endelig retsakt 16 juni synes meget svært pt. er forventningen medio juli
- Herefter har Rådet og EuropaParlamentet 4+2 måneder til at godkende retsakter – dvs. helt frem til januar 2022
- EU-Kommissionen forventes at fastholde tidsplanen for rapportering -> virksomhederne skal rapportere for regnskabsåret 2021



Hvilke virksomheder er omfattet

- De nye rapporteringskrav omfatter virksomheder omfattet af det nuværende ~~Non~~ Financial Reporting Directive (NFRD) og fremadrettet det nye Corporate Sustainability Reporting Directive (CSRD)
- **EU-scope er i dag** i henhold til NFRD store virksomheder af offentlig interesse med mere end 500 ansatte som er
 - Børsnoteret, bank, forsikringselskab eller andre virksomheder af offentlig interesse, så som statsejede virksomheder
- **EU-scope fremadrettet** udvides og forventes at svare til de danske regler i Årsregnskabslovens §99a, dvs. alle store virksomheder samt alle børsnoterede virksomheder (regnskabsklasse store-C+D)
- Med den anførte tidsplan har Danmark for 2022 mulighed for at reducere de omfattede virksomheder i Danmark til alene at følge NFRD

Hvor detaljert skal der rapporteres?

- Tre KPI'er – og ikke andet
- De tre KPI'er opdelt på aligned/not aligned og fordelt på aktiviteter og/eller taksonomi områder
- Opdeling efter NACE koder
- Hvordan spiller det sammen med
 - den finansielle rapportering
 - segmentrapportering og
 - andre rapporteringer (herunder statistikoplysninger)?
- Hvordan hænger det sammen med måden, hvorpå den finansielle rapportering og bogføring er bygget op?

ESMA forslag til rapportering om omsætning

Economic activities (1)	Code(s) (2)	Absolute turnover (3) Currency	Proportion of turnover (4) %	Substantial contribution criteria						DNSH criteria (Do No Significant Harm')						Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of turnover, year N (18) Percent	Taxonomy-aligned proportion of turnover, year N-1 (19) Percent	Category (enabling activity / transitional activity) (20) E/T
				Climate change mitigation (5) %	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and ecosystems (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and (16) Y/N				
A. ELIGIBLE ACTIVITIES																			
A.1. Eligible Taxonomy-aligned activities																			
Activity A			20%	50%*	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	10%		E
Activity B			11%	0%	0%	100%	0%	0%	0%		Y	Y		Y	Y	Y	11%		
Turnover of eligible Taxonomy-aligned activities (A.1)			31%	10%	0%	11%	0%	0%	0%								21%		10%**
A.2. Eligible not Taxonomy-aligned activities																			
Activity D			18%	0%	0%	0%	0%	0%	0%		Y	Y	Y	Y	Y	Y	0%		T
Activity E			20%	50%	0%	0%	0%	0%	0%		Y	Y	N	Y	Y	Y	0%		
Turnover of eligible not Taxonomy-aligned activities (A.2)			38%																
Total (A.1 + A.2)			69%	10%	0%	11%	0%	0%	0%								21%		10%*
B. NON-ELIGIBLE ACTIVITIES																			
Turnover of non-eligible activities (B)			31%																
Total (A + B)			100%																

ESMA forslag til rapportering om CapEx/OpEx

Economic activities (1)	Code(s) (2)	Absolute CapEx (3) Currency	Proportion of CapEx (4) %	Substantial contribution criteria						DNSH criteria (Do No Significant Harm')						Minimum safeguards (17) Y/N	Taxonomy-aligned proportion of CapEx, year N (18) Percent	Taxonomy-aligned proportion of CapEx, year N-1 (19) Percent	Category (enabling activity / transitional activity) (20) E/T
				Climate change mitigation (5) &	Climate change adaptation (6) %	Water and marine resources (7) %	Circular economy (8) %	Pollution (9) %	Biodiversity and (10) %	Climate change mitigation (11) Y/N	Climate change adaptation (12) Y/N	Water and marine (13) Y/N	Circular economy (14) Y/N	Pollution (15) Y/N	Biodiversity and (16) Y/N				
A. ELIGIBLE ACTIVITIES																			
A.1. Eligible Taxonomy-aligned activities																			
Activity A			30%	100%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	30%		E
Activity B			15%	0%	0%	100%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	15%		
CapEx of eligible Taxonomy-aligned activities (A.1)			45%	30%	0%	15%	0%	0%									45%		30%*
A.2 Eligible not Taxonomy-aligned activities																			
Activity D			17%	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0%		T
Activity E			30%	50%	0%	0%	0%	0%	0%	Y	Y	N	Y	Y	Y	Y	0%		
CapEx of eligible not Taxonomy-aligned activities (A.2)			47%																
Total (A.1 + A.2)			92%	30%	0%	15%	0%	0%	0%								45%		30%*

KPI vedrørende omsætning

- 1. For the environmental objectives **climate change mitigation**, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity and ecosystems Turnover can be counted where the economic activity meets:
 - The criterion of making a **substantial contribution** to one or more of those environmental objectives, including by meeting the technical screening criteria;
 - ii. The criterion of not doing significant harm to any of the other environmental objectives, including by meeting the technical screening criteria; and
 - iii. The criterion of minimum safeguards.
- 2. For the environmental objective **climate change adaptation**, turnover can be counted where the activity **enables** other activities to undergo climate change adaptation.

-
- IFRS-aflæggere: “revenue” according to IAS 1 paragraph 82(a)
 - Aflæggere, der følger Årsregnskabsloven / regnskabsdirektivet: “net turnover” in Article 2(5) of the Accounting Directive

KPI vedrørende CapEx

- Count CapEx where the costs incurred relate to assets or processes which meet, or are **part of a plan** to meet:
 - The criterion of making a substantial contribution to one or more of the environmental objectives, including by meeting the technical screening criteria;
 - The criterion of not doing significant harm to any of the other environmental objectives, including by meeting the technical screening criteria; and
 - The criterion of minimum safeguards.
-

1. **additions to tangible and intangible assets** during the financial year before any remeasurements (including revaluations and impairments), depreciation and amortisation charges for the year and excluding fair value changes and
 2. additions resulting from **acquisitions through business combinations**
- IFRS-aflæggere: ▪ IAS 16 paragraphs 73 (e) (i) and (iii); ▪ IAS 38 paragraphs 118 (e) (i); ▪ IAS 40 paragraphs 76 (a) and (b) (for the fair value model); ▪ IAS 40 paragraphs 79 (d) (i) and (ii) (for the cost model); ▪ IAS 41 paragraph (b) and (e); and ▪ IFRS 16 paragraph 53(h)
 - Aflæggere, der følger Årsregnskabsloven / regnskabsdirektivet: Define CapEx as the corresponding costs accounted for under the applicable GAAP. Leases which do not lead to the recognition of a right-of-use asset shall not be counted as CapEx

KPI vedrørende OpEx

- Count OpEx where the costs incurred relate to assets or processes which meet, or are **part of a plan** to meet:
 - The criterion of making a substantial contribution to one or more of the environmental objectives, including by meeting the technical screening criteria;
 - The criterion of not doing significant harm to any of the other environmental objectives, including by meeting the technical screening criteria; and
 - The criterion of minimum safeguards.

-
1. define **OpEx** as the following noncapitalised costs: **research and development, building renovation measures, short-term leases, maintenance and repair**, and any other direct expenditures relating to the day-to-day servicing of items of property plant and equipment that are necessary to ensure the continued and effective functioning of such assets
 2. non-financial undertakings applying national GAAP and not capitalising right-of-use assets to include lease costs in the definition of OpEx
 3. Require that direct costs only are included

Hvad betyder "del af en plan"

- ESMA benytter følgende definition/ kriterier:
 1. The plan should aim to make the economic activity in question Taxonomy aligned within a **maximum period of five years** unless a longer period can be justified by the undertaking on the basis of the features of the concerned investments;
 2. The plan should **be approved by the non-financial undertaking's administrative body or another corporate** function to which such approval has been formally delegated to; and
 3. ESMA recommends that the Commission exempts from the requirement to be part of a plan the **few exceptional cases** identified by the TEG in its Final Report where individual improvement measures can be considered to make a substantial contribution without needing to be part of a plan. These are **primarily low -carbon technologies and building renovation measures whose widespread development is critical to reducing emissions in the EU's current building stock.**
- The plan used for the OpEx KPI should generally be the same as that used to determine the eligibility of capital expenditures to which the OpEx relate and included in the CapEx KPI. However, for **the eligibility of research and development costs as operating expenditures, a plan may not necessarily be associated to existing capital expenditures**

Oplysningskrav – ESMA forslag

- Yderligere information krævet i forbindelse med KPI'erne
 - Oplysninger om hvordan KPI'erne er udarbejdet, herunder især
 - Anvendt regnskabspraksis herunder hvordan KPI'er er defineret og reference til de relevante regnskabslinjer
 - For hver aktivitet, en forklaring på hvordan virksomheden har vurderet kriterierne ovenfor (taksonomi, DNSH, safeguards)
 - Hvis en aktivitet bidrager til flere mål, skal det oplyses hvordan opdelingen er sket
 - En forklaring på hvad de enkelte KPI'er viser, hvad der særligt påvirker tæller og nævner samt en forklaring på udviklingen
 - Oplysninger om investeringsplanerne
- Læs hele ESMA's forslag her: esma30-379-471_final_report-_advice_on_article_8_of_the_taxonomy_regulation.pdf (europa.eu)

Hvordan bygges en rapportering op?

- Hvad skal rapporteres?
- Hvordan skal forretningen opdeles i aktiviteter? (NAO) (Eder)
 - Virksomhedsniveau (Company Level)
 - Projekt niveau
 - Sites / Asset Level (Økonomisk aktivitet A; B; C;)
 - Er disse oplysninger allerede i virksomheden i dag? statistik-indberetninger? Giver de mening i forhold til Forretningsmodellen og andre beskrivelser?
- Hvilke aktiviteter kvalificerer til Omsætning / CAPEX og OPEX?
- Investeringsplaner– kan indregnes i CAPEX og OPEX, hvis den samlede plan bringer virksomheden indenfor skiven
- Omsætning– kun hvis man ER indenfor skiven

Er det kun omkostninger eller er der fordele?

- Tiltrækning af investeringer / finansiering
 - Større infrastrukturprojekter, eks. energigø vindmøllepark m.m.
- God businesscase for kunderne
 - Kan virksomhedens produkter opfylde GapEx/ OpEx for kunderne?
 - Snak med jeres egne eksperter hvordan ville I selv kategorisere jeres produkter, hvis I købte dem
- Integration i virksomhedens forretningsmodel licenseto operate..

FORTSAT AFDELINGEN FOR KVALIFICERET GÆRVÆRK

... men

- vi skal i gang
- vi kan allerede nu begynde at identificere aktiviteterne, overveje rapporteringssystemer og tænke på datakvalitet
- de formelle rapporteringskrav påregnes at indeholde ovenstående elementer

